

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **May 9, 2006**

AGENDA ITEM NO.:

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: Adoption and Appropriation of the FY 2007 Operating and City Capital Budgets and Adoption of the FY 2007-2011 Capital Improvement Program.

RECOMMENDATION: Adopt and appropriate an ordinance approving the FY 2007 Operating Budget, FY 2007 Capital Budget and the FY 2007-2011 Capital Improvement Program.

SUMMARY: Following the April 4, 2006 Public Hearing for the FY 2007 Budget, Council incorporated several adjustments including the elimination of revenue for a property rental tax, an increase in parking fees, and other miscellaneous adjustments to revenues. Adjustments to expenditures included an additional reduction in positions for the Police and Parks and Recreation Departments offset by an increase of one position for the Animal Warden, minor adjustments to non-profit funding, additional funding for the schools, and other miscellaneous adjustments.

Adopting Ordinances A, B, E, F, G, H, J, K, and L require a majority vote of all of the members of City Council in attendance, said vote to be taken by ayes and noes.

Adopting Ordinances C, D, and I require a two-thirds majority vote (i.e. four of six) among the members elected to City Council, said vote to be taken by ayes and noes.

The FY 2007 Proposed Operating and Capital Budgets have been amended as follows:

General Fund

	<u>Proposed Operating Budget</u>	<u>Adjustments</u>	<u>Revised Budget</u>
Revenues and Use of Fund Balance	\$139,754,606		\$147,187,451
Use of Fund Balance	\$7,311,128		
Adjustments to Proposed Budget Projections		\$121,717	
Total Revenues and Use of Fund Balance	\$147,065,734	\$121,717	\$147,187,451
<u>Expenditures</u>			
Operations	\$91,456,331	\$264,316	\$91,720,647
Debt Service	12,898,703	0	12,898,703
Schools-Operations	30,549,256	201,157	30,750,413
Transfers to Other Funds	3,925,316	(23,380)	3,901,936
Reserves	800,000	670,000	1,470,000
Capital Improvements	7,436,128	500,000	7,936,128
Total Expenditures	\$147,065,734	\$1,612,093	\$148,677,827
Balance		<u>(\$1,490,376)</u>	
Increase in Use of Fund Balance		<u>1,490,376</u>	
Final Balance		<u><u>\$0</u></u>	

Details of these adjustments can be found in Attachment A.

Schools Operating Fund

The Schools Operating Fund has been amended by \$201,157 to reflect additional funding approved by City Council.

City/Federal/State Aid Fund

The City/Federal/State Aid Fund has been amended by \$20,880 to reflect a reduction in transfers from the General Fund.

Capital Improvement Program

The FY 2007 Capital Improvement Program is increased by \$1,500,000: \$1,000,000 to fund completion of the Old Graves Mill Road Improvement Project and \$500,000 to increase the Reserves for Athletic Fields; \$635,000 was transferred from the Reusens Road Project to the Expressway Overlay Project.

Fund Balance

With the adjustments noted above, the General Fund undesignated fund balance as of June 30, 2007 is projected to be \$14,206,311, or 10.2% of revenues. Council's target for undesignated fund balance is 10.0% of revenues.

PRIOR ACTION(S): March 7, 14, 21, 28, April 11, 18, 2006 – City Council Work Sessions
April 4, 2006 – Public Hearing on the Proposed FY 2007 Budgets for City Government, Public Schools, Water, Sewer, Solid Waste, Airport and Other Funds, and the FY 2007 - 2011 Capital Improvement Program. Public Hearing on the proposed percentage of relief for Personal Property Tax.

BUDGET IMPACT: See attached budget ordinance.

CONTACT(S): L. Kimball Payne, III, City Manager, 455-3990
Bonnie Svrcek, Deputy City Manager, 455-3990
Donna Witt, Interim Finance Director, 455-3968

ATTACHMENT(S): Attachment A: General Fund Expenditure Adjustments, Ordinances adopting and appropriating the FY 2007 Operating Budget, FY 2007 Capital Budget and the FY 2007-2011 Capital Improvement Program.

REVIEWED BY: lkp

BALANCING THE FY 2007 GENERAL FUND BUDGET

Revenues and Use of Fund Balance

<i>Proposed Revenues (from the FY 2007 Proposed Operating Budget)</i>	\$	139,754,606
Use of Fund Balance	\$	7,311,128
Total Proposed Revenues and Use of Fund Balance	\$	147,065,734

Adjustments: Revenue Summary (discussed at the 4/11/06 Work Session)

Non-Dedicated Revenue Adjustments

Real Property Tax Relief for the Elderly Program	\$	(39,790)
Daily Rental Property Tax on Short-Term Rental	\$	(70,000)
General Government Property Rent (Parking fee raised from \$40 to \$45/month)	\$	14,040

Dedicated Revenue Adjustments

Federal Pass Thru Social Service Administration	\$	63,086
Other Miscellaneous Adjustments	\$	154,381

Revised Revenues and Use of Fund Balance **\$ 147,187,451**

Proposed Expenditures and Transfers (from the FY 2007 Proposed Operating Budget) **\$ 147,065,734**

Adjustments: Expenditures, Reserves, and Transfers (discussed at the 4/11/06 Work Session)

Administrative Services Associate I (Police) / #141	\$	(29,704)
Reduce transfer to City/Federal/State Aid	\$	(20,880)
VML dues	\$	933
VIG dues	\$	150
Reduce transfer to the Airport for Police Shooting Range Rent	\$	(2,500)
Police rent of Shooting Range	\$	2,500
Planning Commission pay	\$	(8,400)
Blue Ridge Regional Jail Authority	\$	140,000
GLTC Operating (increased Fed. Revenue reduces local share)	\$	(40,000)
Virginia First Cities Dues	\$	1,816
Recreation Specialist	\$	(36,466)
Recreation Coordinators (2 part-time)	\$	(31,076)
Parks and Rec. wage funding (\$4,696 wages/\$359 FICA-Medicare)	\$	5,055
Reserve for Regional Detention Home Workman's Compensation Claims	\$	20,000
Region 2000 Dues	\$	4,741

Revised Expenditures **\$ 147,071,903**

Expenditures, Reserves and Transfers

Adjustments: Expenditure Summary (discussed at 4/18/06 Council Meeting)

Court Appointed Special Advocate (CASA) addition to fund full request	\$	1,443
Humane Society addition to fund full request	\$	2,400
Animal Warden: conversion of 1 Part-time to Full-time	\$	25,000
Advertising for Communications and Marketing	\$	10,548
Additional Funding for Schools Operations	\$	201,157
City Cemetery addition to fund full request	\$	33,376
Electoral Board Voting Machines	\$	82,000
Funding for Parking Authority Consultant	\$	100,000
Fully fund the FY 2007 General Reserve for Contingencies at \$1.2 million	\$	400,000
Athletic Fields Funding	\$	500,000
Police Department Overtime Reserve	\$	250,000
Revised Expenditures	\$	148,677,827

Revised Balance **\$ (1,490,376)**

Increase in Use of Fund Balance **\$ 1,490,376**

Final Balance **\$ -**

